ALEXANDER STRATEGY GROUP April 27, 2004

Presents a Proposal to represent

The State of Eritrea

Respectfully submitted to:

His Excellency Girma Asmerom Ambassador Extraordinary and Plenipotentiary Embassy of the State of Eritrea 1708 New Hampshire Ave. NW Washington DC 20009-2502

Alexander Strategy Group (ASG) is pleased to have this opportunity to work with the Government of Eritrea to pursue its policy initiatives in the United States. ASG is a team of professionals each with significant substantive expertise and a network of relationships. The ASG team will be made available to Eritrea in pursuit of its policy objectives.

ASG is a strategic consulting and government relations firm whose expertise extends the reach of our clients. We know how to reach the right people with the correct message. Our goal is to produce tangible results for our client-partners and to move them from a reactive posture to that of an active participant involved in the policy-making process. In our proposal for Eritrea, we set as a high priority the significant improvement in the attitude of U.S. government agencies toward Eritrea within one year.

The individual members of ASG have built careers tackling complex policy initiatives and intricate communications campaigns. We offer a combination of veteran communicators, tested policy-makers and political strategists. ASG combines a strategic approach to government relations with substantive expertise and a proactive process. Our philosophy involves finding innovative solutions to help our clients achieve their objectives while building beneficial long-term relationships with key decision-makers.

Because of our many years of involvement in the political process, we have regular exposure with government agencies and individuals involved in U.S. policy, both at staff and senior leadership levels. In addition, we supplement our knowledge of issues with research and federal liaison activities. Based upon this background, our proposal sets forth how our firm's expertise and experience could prove useful.

Understanding of the current situation in Eritrea among congressional leaders is relatively low. This is due to the number of competing issues, the lower level of attention paid to African policy, and the continuing turnover of staff in our federal government.

This situation presents both challenges and opportunities for Eritrea in pursuing a more robust government relations program.

Eritrea has a number of positive messages that U.S. government officials should find compelling. We believe that building goodwill towards Eritrea through a program of raising its profile among relevant government and policy leaders will have constructive benefits. By creating, supporting, and reinforcing a favorable opinion of Eritrea among U.S. decision-makers, we lay the foundation for future support of Eritrean initiatives and objectives.

We would try to help U.S. officials find common ground with you based on mutual values and common concerns. We find that this approach of introducing clients to select relevant U.S. leaders builds relationships that will be useful now and in the future. ASG has already started creating relationships between the embassy and particular policy groups, government offices, Members of Congress, and key staff members.

There would be particular emphasis on creating relationships with the security policy community, as we have done recently at a lunch hosted by the Institute of World Politics. Along a similar line, we would work to develop new relationships with the Pentagon, think-tanks, advocacy groups, columnists and former military officers. These efforts, again, would be tailored to substantive and relevant individuals, with the understanding that these relationships need nourishing often times before the benefits are realized.

We anticipate developing the involvement of "third party allies." These allies can include other members of the Washington foreign policy and defense establishment, such as ideological "think tanks" and foundations concerned with these issues. Selected use of media contacts can also be helpful. In addition, to the extent that we can identify potential allies in the business community or with multilateral organizations, we will also work to engage them on behalf of Eritrea's concerns.

Our strategy will include developing champions in the Congress, including congressional leaders, who are concerned about future of the Horn of Africa region. We will educate congressional allies on the perspective of Eritrea to counter the current conventional thinking that is largely reflective of views from other larger countries in the region.

This effort of building relationships and communicating positive messages will facilitate more direct objectives. These include gaining support for Eritrea in the settlement of the border dispute with Ethiopia and building a strong and cooperative security relationship between Eritrea and the United States.

We are aware of the crucial importance of gaining vigorous U.S. support for the April 13, 2002 decision of the Eritrea – Ethiopia Boundary Commission. Now that two years have passed since the Commission completed its work, we understand that this

decision needs to be implemented or it may be overcome by events. We believe that successful resolution of this issue is the foundation for resolving many concerns of Eritrea and facilitating future progress in economic, security, and social matters.

We believe that stronger bi-lateral ties and increased goodwill between the U.S. and Eritrea will catalyze resolution of the border issue. Building on the high level of interest in the Sudan negotiations, we will encourage the Bush Administration to capitalize on that investment and take a more active role in addressing the border issue. We believe that a number of different tools are available for helping the Congress address this issue and advocate a more proactive U.S. approach to the problem.

Eritrea has the potential to serve as a future site for a United States military installation. This is an exciting opportunity that could greatly strengthen ties between Eritrea and the U.S. and improve the national security of both nations. As set forth below, current circumstances are particularly favorable for consideration of this military basing option.

First, the U.S. Department of Defense is in the midst of a Global Force Posture Assessment that will realign its military infrastructure, both at home and abroad. Based upon Secretary of Defense Donald Rumsfeld's guidance in his March 20, 2003 memorandum, "Integrated Global Presence and Basing Strategy," the Department is currently developing a long-term, comprehensive and integrated overseas strategy. We believe that the Department of Defense is committed to carrying out this process. First, Congress is supportive of this review and is requesting a similar study in the pending fiscal year 2004 defense authorization bill. Second, the Department of Defense will be under pressure to develop this overseas basing strategy prior to the May, 2005 release of its recommendations to close domestic military bases. It strongly wants the proposed domestic base closures to be approved so that it can save money needed for future defense needs.

In addition to saving money, the Department of Defense is also interested in making sure that the U.S. has military installations around the world designed to support national security challenges of the 21st century. When the current administration came into office, it was clear that our overseas military basing structure was out-of-date because it was designed to meet Cold War threats posed by the Soviet bloc. Since the terrorist attack of September 11, 2001, the appreciation of the need to update our overseas strategic basing has grown.

The strategic Red Sea location of Eritrea makes it a logical site to receive basing consideration. Our needs in that region have grown due to a changing threat assessment as well as the difficulties in finding supportive governments. In particular, the sensitivities of Saudi Arabia have led to a movement of U.S. forces out of that nation. Although some now question the level of Eritrea's cooperation with the U.S. in the war on terror we would make it very clear that Eritrea has offered port facilities, intelligence sharing, and other assistance such as overflight privileges to U.S. Indeed, Secretary Defense Rumsfeld had a favorable impression of Eritrea following his meeting with

President Isaias Afwerki on Dec. 10, 2002 in Asmara and commented upon the similar experiences of our two nations in fighting terrorism.

If the Department of Defense could be persuaded to locate future defense facilities in Eritrea, it would greatly benefit both countries. In addition to encouraging defense cooperation between the two nations, the U.S. would have a vested interest in the security and stability of Eritrea. This would have as strong an impact upon investor confidence in Eritrea.

Moreover, ASG can also work to facilitate other actions that will strengthen the security relationship between Eritrea and the United States. The recent proposed visit of high-level U.S. military officials to Eritrea that did not occur can be put into context of Eritrea's perspective. We can help encourage further visits and exchanges involving defense leaders, greater cooperative security efforts, exploration of Eritrean involvement in regional joint exercises, and the potential for defense-related programs of mutual interest. These measures have independent value as well as helping make the Department of Defense more comfortable with the potential for U.S. defense facilities, equipment, and other activities within Eritrea.

We believe that the involvement of the U.S. Congress and the Department of Defense should be beneficial to strengthening bi-lateral ties. We propose working with the State Department to create a more favorable environment for positive U.S. action. We have a conceptual approach that merits verbal discussion, and does not lend itself well to written discussion in this format. We look forward to discussing this approach in person. Suffice it to say, Eritrea needs to move beyond the current policy box that continues to restrict bi-lateral ties. This conceptual approach may ease that pressure and develop new thinking on bi-lateral possibilities.

BIOGRAPHIES

Paul Behrends is a Partner at Alexander Strategy Group and has been closely involved in public policy issues relating to international politics and business for over fourteen years. Prior to joining ASG, Mr. Behrends was Senior Vice President of Rhoads Weber Shandwick. He served for many years in various senior staff positions in the U.S. House of Representatives. From 1990 to 1997 Mr. Behrends served as senior advisor for international relations and national security affairs for Congressman Dana Rohrabacher (R-CA), a senior Member of both the House Committee on International Relations and the House Science Subcommittee on Space and Aeronautics. Mr. Behrends participated in many overseas policy development and investigative missions for the House Committee on International Relations. He concurrently served as Legislative Director of the House Republican Task Force on the Balkan Crisis from 1992 to 1995. Mr. Behrends holds the rank of Lieutenant Colonel in the U.S. Marine Corps Reserve with over twenty-four years of service and is a former U.S. Member of the Inter-American Defense Board. Mr. Behrends holds a master's degree from the Paul Nitze School of

Advanced International Studies at the Johns Hopkins University. He has received a diploma from the Harvard University's Kennedy School of Government Program for Senior Managers. Mr. Behrends received his undergraduate degree from the Xavier University School of Business in Cincinnati, Ohio. Mr. Behrends serves as Vice Chairman of the Board of Directors of Christian Freedom International, and is a Trustee of the Foundation for Central Asian Development.

Ed Stewart is a partner in Alexander Strategy Group and is primarily engaged with the firm's international practice. His principal areas of legislative and executive branch work have been international trade, appropriations, foreign affairs, judiciary and banking issues. From 1988 to 1997 Mr. Stewart worked with the International Republican Institute (IRI). During his tenure at IRI, he served as the Director for African Affairs for four years and IRI's director of Asia/Middle East operations for two years. While at IRI, Mr. Stewart managed scores of successful programs designed to train political parties, parliaments and elected officials in political strategy, communications and institutional administration. Among the countries in which he worked were South Africa, Kenya, Thailand, Burma and Kuwait. He also worked on special projects in Latin America, the Caribbean and Eastern Europe and served on observer delegations to more than 30 international elections. Mr. Stewart received his B.A. from Wofford College in 1986 and his Masters of Arts in International Politics from the Patterson School of Diplomacy and Commerce, University of Kentucky in 1988.

Ed Buckham is Alexander's Chairman. With nearly 20 years experience in the House of Representatives, Ed served as Chief of Staff to House Majority Leader Tom DeLay. Ed also served as the Executive Director of the House Republican Study Committee (RSC), a group representing over 75 House members, from 1984 to 1992.

Tony Rudy, A partner at Alexander Strategy Group, Rudy is also an alumnus of the House Republican Leadership staff. He worked for Majority Leader DeLay as Policy Director and General Counsel and later as his Deputy Chief of Staff. As part of his role in managing Rep. DeLay's staff, Rudy worked especially closely with Speaker Dennis Hastert and the Speaker's staff. Further, in his role in the House Whip's office, Rudy managed DeLay's legendary "member services" operation, affording him the opportunity to develop working relationships with Chairmen, members and staff of the Judiciary, Commerce, Appropriations, and Financial Services Committees, among others. Rudy played a key role in defeating the Goodlatte Internet Gaming ban when he was a staffer on Capitol Hill and helped represent Sportingbet.com after he left government.

Other members of the ASG team are also available to Eritrea as needed.

CONFIDENTIAL MEMORANDUM

TO: Ambassador Girma Asmerom

FROM: Paul Behrends, Ed Stewart, Ed Buckham of Alexander Strategy Group, Inc.

DATE: April 28, 2004

RE: Work Plan for 2004

Based on our discussions over the last few months, this is a draft work plan that has been developed for 2004:

- Continuing our successful profile-building efforts on Capitol Hill, within the Department of Defense, Sate Department, and the White House. An effort will be made to develop support for Eritrea within the House Leadership;
- Meet with you and other officials on a weekly basis as described in the methodology of work (provided separately);
- Increasing Support for Implementation of the April 13, 2002 Decision of the Eritrea-Ethiopia Boundary Commission;
- Exploring expanded bi-lateral defense cooperation;
- Continuing our outreach to policy groups in Washington including academic institutions, the media and policy groups;
- Improving bi-lateral diplomatic relations through a focused effort to create dialog partners with selected individuals at the Department of State;
- Maximizing the impact of political activities by Eritrean-Americans during the 2004 election cycle;
- Discuss the possibility of a strategic communications plan including a public relations effort and development of third party allies in NGOs, think tanks, and international organizations.

A more detailed discussion of the Congressional profile building initiative follows.

Eritrea has successfully built relationships with Members of Congress, including the key Members of the House Appropriations Committee (Reps Wicker, Tiahrt, and Kirk). Awareness with senior Members of the House International Relations Committee also continued established relationships, especially with Reps Lantos, Rohrabacher, and Burton. Groundwork was laid with key staff members of Rep. Duncan Hunter, Chairman of the House Armed Services Committee and House Majority Leader Tom DeLay. Chairman Ed Royce and his staff should be a focus of effort as should an approach to the Senate Foreign Relations Committee's subcommittee on African Affairs. We should follow-up on our introductory meeting with Senator Pat Roberts, Chairman of the Senate Intelligence Committee and senior staff of Senator Mitch McConnell, Chairman of the Senate on Foreign Operations Appropriations.

Our objective will be to develop active champions within the House of Representative and the Senate who will engage their counterparts in the Executive Branch to guide and improve the bilateral relationship. A part of this profile building effort will require an effort to bring

Congressional Members and staff to Eritrea to increase their understanding of the situation. Likewise, expanded efforts should be strongly considered to develop relationship with senior Eritrean officials and Congressional Membership during their visits to Washington, D.C.

We hope to expand Eritrea's bi-partisan congressional support in cooperation with it's new Political Action Committee (PAC). We will work through the remainder of 2004 to advise on specific giving strategies, and targeted political donations to selected political campaigns.

We look forward to working with Eritrea additional inroads into the federal government through targeted legislative opportunities.